

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
DECEMBER 16, 2025 AGENDA**

Subject:	Type:	Submitted By:
AUTHORIZE AGREEMENT – COLLECTION OF SEWER RATES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	PAT DOWSE CITY ENGINEER

SYNOPSIS

A resolution has been prepared to approve the agreement for Collection of Sewer Rates between the City of La Vista and Metropolitan Utilities District of Omaha for the collection and remittance of City of La Vista sewer fees through monthly customer billing.

FISCAL IMPACT

Agreement does not impact the City of La Vista FY25/26 Budget. Billing Service Fees are passed through to the individual sewer service customer.

RECOMMENDATION

Approval.

BACKGROUND

On February 18, 1975, the City of La Vista entered into an agreement with Metropolitan Utilities District (MUD) to collect and remit sewer fees incurred by MUD customers that receive sanitary sewer service within the wastewater service area of the City of La Vista. On September 11, 2025, the City of La Vista was notified that MUD wished to enter into a new agreement with the City of La Vista to update applicable provisions to the agreement. On December 8, 2025, the draft agreement was sent to the City to review.

The agreement proposes an initial term of five (5) years from the effective Date of January 1, 2026, and will continue year to year thereafter. The administrative fee for each customer account is proposed to be \$2.5804 beginning January 1, 2026 and is subject to a yearly increase of the Consumer Price Index as of September 30 of the prior year (as reported by the US Bureau of Labor Statistics), or 3.0%, whichever is less. Every five (5) years, MUD is to evaluate the administrative fee to ensure the fee covers the cost of the service as performed.

As MUD has the administrative and billing services capacity to efficiently collect and remit sewer fees on behalf of the City, it is recommended the City continue to use MUD's billing services. Also, remaining in partnership with MUD will allow City Staff to effectively resolve customer billing issues and questions as they arise.

A copy of the Agreement is attached.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA APPROVING AN INTERLOCAL COOPERATION AGREEMENT WITH METROPOLITAN UTILITIES DISTRICT OF OMAHA FOR SEWER COLLECTION SERVICES.

WHEREAS, Metropolitan Utilities District of Omaha ("the District") is a municipal corporation and political subdivision of the State of Nebraska established and governed by Nebraska law to provide natural gas, potable water, and wastewater services to the City of Omaha and surrounding communities; and

WHEREAS, the City of La Vista ("the City"), a city of the First Class, is a municipal corporation of the State of Nebraska that owns and operates a sewer collection system; and

WHEREAS, Neb. Rev. Stat. § 14-2129 authorizes the City to enter into a agreement with the District to obtain the use of the facilities and services of the District to collect all or any part of the sewer use or rental fee for which City may lawfully be entitled to charge and collect; and

WHEREAS, the District bills and collects the City's sewer service fees; and

WHEREAS, the current agreement between the City and the District is dated March 13, 1975; and

WHEREAS, the District has proposed an updated agreement, a copy of which is presented with this agenda item; and

WHEREAS, the City desires to enter into a new agreement whereby the District will collect sewer fees from District customers connected to City's sewer system in exchange for reimbursement of the District's costs by the City; and

WHEREAS, the District is willing to collect and remit the balance of the Sewer Fees to the City after deducting the District's costs under the terms and conditions of this Agreement;

NOW, THEREFORE, BE IT RESOLVED, that that the Proposed Agreement presented at this meeting is approved and the Mayor is authorized to execute such document, subject to such additions, subtractions, or modifications as the Mayor, City Administrator or City Engineer may determine necessary or appropriate.

PASSED AND APPROVED THIS 16TH DAY OF DECEMBER 2025.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Rachel D. Carl, CMC
City Clerk

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MUD - Sewer Collection Services12.16.2025.Docx

**AGREEMENT FOR COLLECTION OF SEWER RATES
BETWEEN CITY OF _____ AND
METROPOLITAN UTILITIES DISTRICT OF OMAHA**

Metropolitan Utilities District of Omaha ("District") and the City of _____ ("City") hereby enter into this AGREEMENT FOR COLLECTION OF SEWER RATES BETWEEN CITY OF _____ AND METROPOLITAN UTILITIES DISTRICT OF OMAHA ("Agreement") (The District and the City each may be referred to as a "Party" and may be referred to collectively as the "Parties").

RECITALS

- i. District is a municipal corporation and political subdivision of the State of Nebraska established and governed by Nebraska law to provide natural gas and potable water services to the City of Omaha and surrounding communities.
- ii. City, a city of the _____ Class, is a municipal corporation of the State of Nebraska that owns and operates a sewer collection system.
- iii. Neb. Rev. Stat. § 14-2129 authorizes City to enter into a contract with the District to obtain the use of the facilities and services of the District to collect all or any part of the sewer use or rental fee for which City may lawfully be entitled to charge and collect.
- iv. City has established a sewer rate in a duly enacted ordinance ("Sewer Rate"). A copy of the duly enacted ordinance establishing the Sewer Rate has been provided to the District.
- v. City desires to enter into a contract whereby the District will collect Sewer Fees (as that term is defined in Section 1, below) from District customers connected to City's sewer system (each a "Customer" and, collectively, "Customers") in exchange for reimbursement of the District's costs by the City.
- vi. The District is willing to collect and remit the balance of the Sewer Fees to the City after deducting the District's costs under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

AGREEMENT

1. **Sewer Fee.** A Customer's Sewer Fee is the fee the Customer must pay for sewer service from the City. The amount of a Customer's Sewer Fee shall be determined by Customer Type as follows:

- a. Residential Customers. For the months of November through February, by multiplying the Sewer Rate by Actual Water Usage. For the months of March through October, by multiplying the Sewer Rate by the lesser of Actual Water Usage or the average of the Customer's Actual Water Usage during the four-month period from November through February. These time periods are based on the billing schedule set by the District.
 - b. Commercial Customers. By multiplying the Sewer Rate by Actual Water Usage.
 - c. Industrial Customers. By multiplying the Sewer Rate by Actual Water Usage.
2. **Actual Water Usage.** A Customer's Actual Water Usage shall be calculated "per CCF" as determined by the Customer's water meter.
3. **Customer Types.** For purposes of this Agreement, the following are the definitions of Customer Types:
 - a. Residential. A sewer service user with a single-family dwelling unit used exclusively as a place of abode and served by a separate water meter or any sewer service user classified by the Metropolitan Utilities District as a residential customer. For the avoidance of doubt, an apartment building with four (4) or fewer units is a Residential Customer Type.
 - b. Commercial. A sewer service user engaged in manufacturing, fabricating, processing, selling, warehousing, or distributing a commodity or engaged in business, economic, or professional activities or has a single water meter serving two or more dwelling units, or who is classified by the Metropolitan Utilities District as a general commercial customer. For the avoidance of doubt, an apartment building with five (5) or more units is a Commercial Customer Type.
 - c. Industrial. A sewer service user engaged in manufacturing, fabricating, or processing activities or who is classified by the Metropolitan Utilities District as a general industrial customer.

4. **District Obligations.** The District will:

- a. Collect Sewer Fees (as that term is defined in Section 1, above) from the Customers in accordance with the billing and collection provisions of subsections 1) through 8) below (the “Services”). Provided the District complies with such subsections, the District has sole discretion over the billing and collection methods it may use to perform the Services.
 - 1) **General.** The District will bill Sewer Fees by printing additional lines on the District’s monthly water and/or gas bill. In certain cases, billing to Customers will be delayed for a month or two until billing information is available.
 - 2) **Final Bills.** In calculating final bills, the Customer will be charged a prorated daily rate if the bill is less than 25 days or more than 40 days. If the bill is between 25 and 40 days the customer will be charged the full rate.
 - 3) **No Discount, Late Payment Charge.** No discount or late payment charge will be applied to Sewer Fees.
 - 4) **Request for New Water Meter.** When District receives a request for a new residential water meter set in an area that is served by City’s sewer system, that Customer will be coded as a sewer user and billed for the applicable charges.
 - 5) **Allocation of Partial Payments.** Any payment received that is applicable to delinquent gas, water, and/or sewer charges carried in the District’s delinquent account section but which is insufficient to pay all of the charges will be allocated to the unpaid gas, water, and/or sewer balances for that Customer in the same ratio as the payment bears to the total of unpaid gas, water, and sewer charges for that Customer. It is the intent to give each utility its prorata share of any partial cash payments received.

- 6) Collection Methods. The District will attempt to collect Sewer Fees by applying the same collection procedures now pursued in respect to the District's water customers
- 7) Delinquent Receivables. The District will transfer all delinquent receivables for terminated Customers from its active billing file to its delinquent account section when they are 120 days or more past due in accordance with cycle billing procedures. When collection is made on a delinquent account showing an unpaid Sewer Fee, a proportionate share of that collection will be credited to Sewer Fee accounts
- 8) No Deposit. No customer deposit will be required by District to protect collection of Sewer Fees.

- b. Provide notice to the City of any material change to the District's billing or collection methods 30 days in advance of any such change.
- c. Provide a summary of the District's billing and collection methods to the City upon the City's request.
- d. Deduct and retain the District's actual costs to perform the Services ("Administrative Fee") from Sewer Fees collected and, after deducting the Administrative Fee, remit the balance of Sewer Fees collected to the City.
- e. Provide a monthly revenue report to the City supporting the remittance of the balance of Sewer Fees showing the following for each Customer: service address, contract account number, move-in date, meter reading date, and sewer consumption and charges. The report will also show service address and account number for each District water customer in City not being billed for Sewer Fees.
- f. Provide statements to the City supporting additions or subtractions to Sewer Fee collections that result from final bills, credit memos, adjusted bills, and collections of delinquent accounts.
- g. Increase the Administrative Fee on January 1 every year by the lesser of the year-over-year increase in the Consumer Price Index as of September

30 of the year prior, as reported by the U.S. Bureau of Labor Statistics, or 3%.

- h. Evaluate the amount of the Administrative Fee every five years to determine whether it covers the District's actual costs to perform the Services. After performing each such evaluation, the District will adjust the Administrative Fee for future Services in accordance with the results of the evaluation. The District will provide the results of each evaluation to the City.
- i. Provide customer support to the Customers in the form of phone or multimedia support. However, the District will refer to the City all Customer questions regarding (i) how the Sewer Rate is derived by the City, (ii) whether Customer qualifies for an exemption from a Sewer Fee, (iii) whether Customer qualifies for a credit on their Sewer Fee, and (iv) any other question that District is unable to answer. The City shall provide support to answer questions referred by the District.
- j. Make its records relating to its performance of this Agreement (e.g., Sewer Fee billing and collection records; records relating to remitting the balance of Sewer Fees, etc.) reasonably available for audit by the City or the City's authorized representative upon suitable arrangements for such audit being made between the Parties. Audits by the City shall not occur more frequently than every other year.
- k. Collect, report, and pay sales tax on Sewer Fees to the State of Nebraska.

5. **City Obligations.** The City will:

- a. Provide to the District an initial list showing name and address of each Customer to be billed under this Agreement, if the District does not already possess such a list.
- b. Provide a true and accurate copy of the duly adopted City ordinance setting forth the Sewer Rate for each Customer Type (or any change in the Sewer Rate to be applied to each Customer Type), with the understanding that the District's performance of the Services will not reflect any change in a Sewer

Rate until 90 days after the District receives from the City a copy of the duly adopted City ordinance reflecting the same.

- c. Reimburse the District for the District's Administrative Fee. The City hereby authorizes the District to deduct and retain the Administrative Fee from the Sewer Fees collected by the District, as set forth in Section 1.e., above.
- d. Defend and indemnify the District, at the City's sole expense, against any claim or lawsuit brought against the District or any District employee on and after the Effective Date relating to any City ordinance approving, authorizing, or otherwise relating to this Agreement or relating to the District's performance of Services under this Agreement, except to the extent arising solely from the District's negligence.
- e. Indemnify the District and hold the District harmless against any claims or lawsuits for damage to persons or property, together with any costs or expenses incurred in connection therewith, arising out of relating to the District's performance of the Services.
- f. Notify the District promptly of all new sewer connections in area served by District.

6. **Effective Date.** The Effective Date of this Agreement is January 1, 2026.

7. **Term.** This Agreement shall have an Initial Term of five (5) years from the Effective Date, and shall continue thereafter from year to year (each, an "Extra Term") subject to the right of either Party to terminate this Agreement upon written notice to the other Party at least twelve (12) months prior to the end of the then-current Extra Term. The Initial Term and Extra Term(s) shall together constitute the "Term".

8. **Disputes.** The Parties will work together in good faith to resolve disputes relating to this Agreement, including by presenting disputes to each other in a reasonably timely manner. If the Parties are unable to resolve the dispute after working in good faith, either Party may file suit in an appropriate Nebraska court.

9. **Submeters.** No Sewer Fee will be assessed, or collected, directly against sewer users using water through submeters. The owner of the master meter will be the only Customer billed for a Sewer Fee.

[The remainder of this page left blank intentionally.]

IN WITNESS WHEREOF, the respective parties hereto have executed this agreement at Omaha, Nebraska, this _____ day of _____, 20____, and attests that it is duly authorized so to do.

CITY OF _____, a Municipal Corporation

By: _____

Attest:

City Clerk

METROPOLITAN UTILITIES DISTRICT OF OMAHA

By: _____

Witness:
